Losses suffered by PNB

1550. SHRI VARINDER SINGH BAJWA: Will the Minister of FINANCE be pleased to state:

(a) the number of cases (accounts) in which Punjab National Bank (PNB) suffered loss of Rs. five crore and more in each case during the years, 2005-06 and 2006-07 year-wise,

(b) the number of cases out of them which were reported to the Central Vigilance Commission and the CBI, year-wise; and

(c) the reasons for not reporting the remaining cases, if all such cases were not reported to the above mentioned authorities as required?

THE MINISTER OF STATE IN THE MFNISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The information received from Punajab National Bank where One Time Settlement (OTS)/Write off approved involving sacrifice of Rs. five crore and above during the years, 2005-06 and 2006-07 is as under:

(Rs.in crore)

	2005-06		2006-07	
	No.	Amount	No	Amount
A/cs where OTS approved involving sacrifice of Rs. 5 crore and above.	32	430.83	25	501.18
A/cs where write off approved involving sacrifice of Rs. 5 crore and above.	13	336.41	07	92.08
TOTAL	45	767.24	32	593.26

(b) Five cases involving OTS or write-off involving and amount of Rs. 39.86 crore and eight cases in the same category involving amount of Rs, 105.70 crore have been reported to CBI/CVC during the years 2005-06 and 2006-07 respectively. -

(c) All eligible cases which necessitate reference to RBI/CBI/CVC, as per the guidelines have been reported to the concerned agencies by the bank.

Establishment of zonal office of LIC

1551. SHRI KUMAR DEEPAK DAS: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that there is a long standing demand of establishment of a zonal office of the Life Insurance Corporation (LIC) for North Eastern Region at Guwahati;

(b) whether there is any proposal for establishment of zonal office of LIC at Guwahati in order to overcome the administrative inconvenience due to long distance to divisional/ branch offices; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Yes, Sir. The Life Insurance Corporation (LIC) has informed that some of the employees' associations/union and Asom Jatiyatabadi Yuva Chatra Parishad, Jorhat have been demanding establishment of Zonal Office of LIC for North Eastern Region at Guwahati.

(b) and (c) LIC has reproted that there are four divisional offices of LIC in North Eastern Region viz., Bongaigaon, Guwahati, Jorhat and Silchar. The business volume of these divisions do not warrant for a separate zonal office. However, it does not affect the servicing needs of the insuring public for this region as policyholders, employees and agents' needs are mainly taken care of by the branch offices and only in very few cases the matters are referred to divisional office. References to Zonal Office are very rare and mainly for administrative clarifications.

Failure of banking sector to meet the targets for the weaker section

1552. SHRI KARNENDU BHATTACHARJEE: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that banking sector has failed to meet the targets for weaker sections of the society;

(b) whether it is also a fact that economic reforms have reinforced financial exclusion of the landless belonging to the weaker section who would suffer from agrarian crisis and uprooting as a result of industrialization and urbanization;

(c) if so, whether Government is taking any action; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The revised guidelines of the Reserve Bank of India (RBI) on priority sector lending stipulate, *inter-alia,* a target of 40% of Adjusted Net Bank Credit (ANBC) or credit equivalent of Off-Balance Sheet Exposure, whichever is higher, for lending to the priority sector by domestic scheduled commercial banks, both in public and private sector. Within this, not less than 10% of ANBC is to be given to the 'Weaker Sections'. The revised guidelines on priority sector lending are available at RBI's website *(http://www.rbi.org.iri).*

As reported by RBI, the details of outstanding advances granted to Weaker Sections under Priority Sector by public sector banks as on the last reporting Fridays of March 2005, 2006 and 2007 are as under:

(Amount in crore)

Year ending on	Adjusted Net Bank Credit (ANBC)	Total priority sector advances target (40% of ANBC)	Advances to weaker sections target (10% of ANBC)
March, 2005	717419	307046 (42.8%)	55016(7.67%)
March, 2006	1017656	409748 (40.30%)	78158(7.70%)
March,	1317705	521180(39.55%)	94285(7.16%)

*Provisional

(b) to (d) In order to bring financially excluded, underprivileged and unbanked population within the formal banking system, Government has taken a number of steps which, *inter-alia,* include: opening of 'no frills' account with simplified procedure and limited overdraft facility wihout any collateral; one time settlement scheme for small borrowers; and issue of General Credit Cards to eligible beneficiaries without security, etc.

In order to enhance banking functions in the rural areas, RBI issued circular dated January 25,2006 on "Financial Inclusion by Extension of Banking Services—Use of Business Facilitators and Corrc5pondents". A copy of the circular is available on their